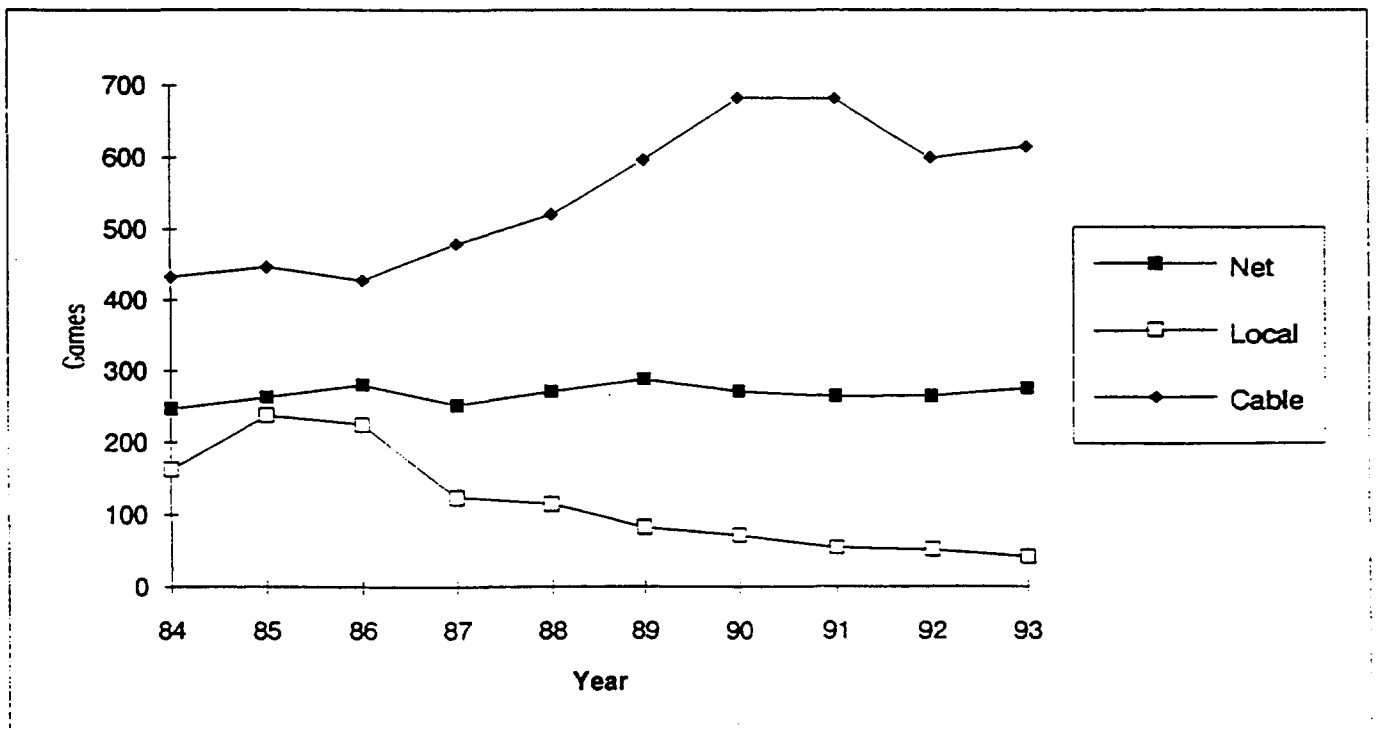


TABLE I

Summary (9 Markets)

Year	<i>Net</i>	<i>Local</i>	<i>Cable</i>	<i>Bdcst</i>	<i>Total</i>
84	246	162	433	408	841
85	263	237	447	500	947
86	281	225	428	506	934
87	252	124	480	376	856
88	271	115	520	386	906
89	289	83	597	372	969
90	271	72	682	343	1025
91	264	55	682	319	1001
92	265	52	600	317	917
93	275	42	616	317	933



The situation changes dramatically beginning in 1987. The number of network games drops from 281 to 252 between 1986 and 1987. The number of non-network games is almost cut in half, from 225 in 1986 to 124 in 1987. At the same time the number of games on cable increases from 428 to 480. Total games on broadcast television drops from 506 in 1986 to 376 in 1987.

What happened between 1986 and 1987? On the broadcast side, ABC had the rights to the CFA and CBS had the rights to PAC-10 and Big-10 games for the period 1984-1986. ESPN had the CFA rights during this period. Beginning in 1987, ABC got the rights to the PAC-10 and Big-10 games and ESPN had the national cable rights to the CFA games. CBS began televising the CFA in 1987. Thus, the combination of ABC's contracts and ESPN's CFA contracts began to constrict the market.

While broadcast network games appear to increase during the 1987-1988 time period, there is a considerable drop in non-network games from 1988 (115) games to 1989 (83 games). What happened? Beginning with the 1989 season, ESPN obtained the cable rights to the Big-10 and ESPN/Prime Ticket cablecast the PAC-10 games.

In addition to the output restrictions imposed by the ABC, ESPN and the ESPN/Prime Ticket contract, other cable sports channels began to play a significant role in college football between 1988 and 1989. According to Paul Kagan, basic tier ad

supported cable sports channels almost doubled the number of games between 1988 (676 games) and 1989 (1,299 games).²⁹

The next significant drop in non-network college football occurs between the 1990 (72 games) and 1991 (55 games) seasons. This decline just happens to coincide with ABC obtaining the rights to broadcast the CFA games, which began in 1991.

The decline in over-the-air college football games is illustrated further by trends in the PAC-10 and Big-10 conferences. (See Appendix Volume Tabs C & D). In both conferences off-air televised games have declined. This hold true for games played among conference members and games played with other football conferences.

2. Increases In College Football Games On Cable Channels Is Negatively Correlated With Declines In Non-network, Local Games Broadcast By Local Television Stations.

While INTV believes the conclusions can be drawn from the descriptive statistics presented above, further statistical analysis reveals that the number of games appearing on cable channels is directly related to a decline in local games appearing on local television stations.

²⁹Paul Kagan, Media Sports Business, January 31, 1993 at 8.

The Appendix Volume submitted with these comments (See Appendix Volume Tab A) contains a regression analysis performed by Pappas Telecasting Companies, analyzing the relationship between increased games appearing on cable channels and non-network, over-the-air games. Data for the study are based on college football games reported in local newspaper's Saturday television sports listings for the above referenced markets, for the years 1984-1993.

The study found that the number of cable games is negatively correlated with the number of local games available on local television stations. This negative correlation is statistically significant (t ratio -3.64). In fact, while other factors contained in the regression model also negatively influence the number of non-network (local) games, games appearing on cable is one of the most statistically significant. The confidence level that the model accurately predicts the factors causing a decline in non-network over-the-air games is quite high. [R-sq 98.9%; R-sq-(adj) 97.6%]

Accuracy of the model is demonstrated by its ability to predict the declines in games in recent years. The deviations between the model's predicted non-network, local, over-the-air coverage and actual number of non-network, local games broadcast by local off-air stations is quite small. (See Appendix Volume Tab A at 7)

INTV believes that the analysis conclusively demonstrates that local coverage of college football has declined since 1984 and that this decline is caused by an increase in the number of college football games appearing on cable sports channels and the preclusive exclusivity contracts associated with securing these rights.

Moreover, the study directly challenges the Commission's general hypothesis that cable is supplementing, not siphoning, games from over-the-air television stations. Given these results, INTV believes the Commission must modify its measurement of sports siphoning. At least with respect to college football, games appearing on cable television do result in a decrease in coverage of local college football by local stations.

C. Future Contracts Will Not Increase Supply To Local Television Stations.

Several parties have commented that the new arrangements with several CFA conferences obviate the need for FCC or Congressional action. While the terms of the specific contracts have not been provided in detail, INTV does not believe that the "market" has corrected itself. This is certainly not the case as it relates to the ability of a local television station to contract with a local school to provide coverage of college football.

As we have discovered with ABC and ESPN/Prime Tickets contracts with the Big-10 and PAC-10, a contract or series of contracts with a conference can have a preclusive effect. ESPN indicates that it will enter into agreements with the Atlantic Coast Conference and the Big East Conference for games beginning with the 1996 season.³⁰ ABC will be broadcasting games from the Atlantic Coast Conference and Big Eight Conference.³¹ CBS will be broadcasting South East Conference games and Big East Football Conference games.³² Regional cable channels have also contracted directly with college football conferences. For example, Affiliated Regional Communications LTD has contracted with the Big-8.³³

Unfortunately, these agreements appear to contain "time period" exclusivity provisions similar to the agreements ABC and ESPN now enjoy. The Big East Football Conference noted that its agreement provided for live local coverage in the respective areas of the participating teams "as long as the telecast does not occur opposite the CBS and/or ESPN telecasts."³⁴ Affiliated Regional Communications LTD notes that under its agreement with the Big-8:

³⁰ESPN Comments at 5.

³¹Capital Cities/ABC Comments at 5.

³²Comments of the Big East Football Conference at 4.

³³Comments of Affiliated Regional Communications LTD, at 14.

³⁴Comments of Big East Football Conference at 4-5.

"ABC will have the right to televise the late window (i.e. 3:30 eastern time) games every Saturday and the right to two "early window" selections for "double headers" on two Saturdays during the season. ARC currently plans to televise the Thursday and Saturday night games only on Prime Network."³⁵

While ARC indicates its intention to syndicate games during the early window, (presumably 12:30 eastern time) it appears that Big-8 games that are not telecast during the two windows mentioned will be available for local over-the-air television stations.³⁶

With respect to a local television station's ability to televise live local games, the new arrangements may make it more, rather than less difficult. It is clear that the concept of time period exclusivity will be a major element in the new college football agreements. In the end, a local station will have an even more complex "window" system. This is especially true if a station attempts to broadcast an inter-conference "cross over game."

The current college football market can be characterized as one that inhibits local stations from broadcasting local live college football games. ABC now has rights with most of the major

³⁵Affiliated Regional Communications LTD comments at 14-15.

³⁶ARC does indicate that it may syndicate games during the early (presumably 12:30 eastern time) window. However, does not provide specifics. *Id.* In part, its ability to provide a syndicated package will depend on not conflicting with other conferences. Moreover, a 12:30 eastern time window means that it will be providing coverage of Big-8 home games that begin 11:00 central time. It is not clear how many schools have agreed to move the start time of these games.

conferences through the CFA. Even if the CFA disbands, ABC is moving to secure the rights to several conferences that make up the CFA. CBA is also in the picture with the SEC and Big East games. On the cable side, ESPN will continue to play a major role. Prime Ticket and other regional cable networks will increase their share of the college football market. Indeed, it is the entry of cable sports channels, each with their own system of exclusive windows that is directly correlated with a decline in local broadcast coverage.

The purported breakup of the CFA will not rectify the problems of local station coverage. The fundamental problem is that the broadcast networks, and more importantly cable networks, are contracting for games at the conference level with time period exclusivity contracts. These arrangements take precedence over any arrangement a local school may want to have with a local television station.

The comments in this proceeding indicate that this situation will continue through the next round of college football contracts. Local stations will continue to be squeezed out by conference agreements with cable sports networks and the major broadcast networks.

It is perhaps too early to tell whether the new agreements with ABC and NBC will increase the number of college football games

on over-the-air television. Cable coverage is probably increase. Nevertheless, it is certain that local stations will find it increasingly difficult to provide local live coverage.

Unless the FCC acts to eliminate the concept of time period exclusivity, especially as it is employed by cable networks' agreements with college conferences, there will be very few, perhaps zero, local, live college football games on local television stations.

II. MAJOR LEAGUE BASEBALL

The Commission should be concerned with migration in the context of Major League Baseball. We have two primary concerns. First, local stations are finding themselves squeezed out of the market for prime time local broadcasts by Major League Baseball's preclusive contract with ESPN. The problem has been exacerbated by ABC and NBC's decision to regionalize, *i.e.*, provide local coverage of games during prime time. Our second major concern is that regional cable sports networks are inexorably taking games off free television at the local level.

A. ESPN's Contract Artificially Restricts The Supply Of Games.

ESPN's agreement with Major League Baseball (MLB) is nothing more than a contract to restrict the supply of games. It is a time period exclusivity arrangement which prevents stations from broadcasting any games on the nights that ESPN is cablecasting its

games. Games, that are not otherwise being telecasted by ESPN, are being kept from the American public.

INTV believes strongly that the competitive infirmities characterizing ESPN's preclusive contracts in college football, apply with equal force to ESPN's contract with Major League Baseball. Accordingly, the legal and competitive analysis presented above should be incorporated into this discussion.

The restriction on output is obvious. Despite the fact that a full schedule of baseball games may be played on Wednesday nights (28 teams playing, equalling 14 games) throughout the season, the American public will be precluded from watching any games on over-the-air television.³⁷ ESPN will only telecast a two game "double header." Over-the-air television broadcasting is locked out. Only regional cable sports networks may offer competing games to ESPN.

MLB justifies this output restriction by stating that "the substantial pro-consumer benefits of the ESPN package would not be

³⁷A similar scenario occurs on Sunday night. However, local teams are able to broadcast games on Sunday afternoons. The Sunday night restriction forces local stations to move their games to afternoon time periods where there over all television audience is a smaller. Major League Baseball recognizes that afternoon start times provide smaller audiences, which is why it moved network games to prime time. See Comments of Office of the Commissioner of Baseball at 22, 25. Thus, while games can be seen on local television stations on Sunday afternoons, Major league Baseball has used its market power to force local stations out of Sunday prime time and into less desirable time slots.

possible absent such a grant of exclusivity."³⁸ No attempt is made to precisely describe or explain these benefits. INTV believes the American public does not benefit at all from the Wednesday night restrictions.

First, even for the two games that are telecast by ESPN on Wednesday night, approximately 40 percent of the American public will not see these games. ESPN certainly cannot claim the universal access benefits of over-the-air television. More importantly, absent this restriction, local over-the-air television stations would be providing local telecasts (possibly 14 games) of local teams across America. Without question, more Americans would have the opportunity to watch their favorite local team than under the ESPN arrangement.³⁹

Second, the preclusive exclusivity arrangements run contrary to viewer demands and the economics of baseball. MLB attempts to argue that the exclusivity provisions are necessary because of unfair competition from superstations.⁴⁰ INTV disagrees.

³⁸Comments of the Office of the Commissioner of Baseball, in PP docket No. 93-21, April 11, 1994 at 32.

³⁹Under the current plan, competing local games are confined to regional sports networks, which may or may not be included on a cable system's basic tier offering.

⁴⁰See Commissioner of Baseball Comments at 30.

ESPN's preclusive contract for Wednesday nights is specifically designed to prevent competition from local off-air broadcasts. MLB, itself, acknowledged this basic fact when justifying the new agreements with ABC and NBC:

Ratings for locally televised games have been approximately three times higher than those for national telecasts in recent years.⁴¹

ESPN's decision to block off-air Wednesday night telecasts is nothing more than an effort to restrict competition from local stations. It has very little to do with superstations. The American public likes to watch their own local team play. This situation was described by Prof. Andrew Zimbalist.

On a typical day, most fans have the option of watching their home team on over-the-air or cable television or watching a national broadcast on ESPN, CBS or a superstation. Understandably, most fans chose their home team. Fans without a favorite team, fans displaced from their favorite team's media market, fanatics of the Rotisserie League, and gamblers are the main potential audience for nationally telecast games.⁴²

Faced with such competition, ESPN and Major League Baseball decided to eliminate it. One need only ask, "What would happen if local stations could broadcast local games on Wednesday nights?" The answer is the most Americans would watch their local teams play on off-air television.

⁴¹Id. at 22.

⁴²Zimbalist, Andrew, Baseball and Billions, 1992 at 159.

Third, the Wednesday night restriction serves to create a captive market for regional pay telecasts. The ESPN Wednesday night exclusivity provisions apply only to local off-air broadcasts. Local games may still be televised on regional pay sports channels. In other words, to the extent viewers would prefer to see their local teams play, the ESPN/MLB Wednesday night exclusivity arrangement forces that demand to be satisfied by regional pay sports channels or pay-per-view. Unfortunately, in those areas where the regional sports channels are not part of a basic service package, a significant number of Americans will not be able to see their favorite team play.

On balance, ESPN's Wednesday and Sunday night exclusivity provisions are an artificial restriction on a market. Left to free market incentives, the provision of baseball would be towards local coverage of local games. Consumer welfare would be maximized. However, this is not the case because of MLB's unique ability to control and limit the supply of games to be telecast.

This non-market based exclusivity arrangement is directly related to MLB's government sanctioned monopoly. Unlike other program suppliers, it is not subject to the same market pressures. It can restrict supply in order to increase its revenues. In this regard, MLB's constitutional challenge to siphoning rules has a hollow ring.⁴³ It claims siphoning rules would raise constitutional

⁴³Commissioner of Baseball Comments at 4.

concerns, "particularly where such restrictions are not imposed on other programmers...." No other program supplier has a guaranteed antitrust exemption. Major League Baseball is different. Specific rules designed to promote greater access and diversity of baseball games would pass constitutional muster.

ESPN argues that without the exclusivity provisions, it would be unable to put together a national cable package. INTV has no doubt that the exclusivity arrangement for Wednesday and Sunday nights enhance the value of ESPN's package. However, ESPN's private interests would appear to be irrelevant. Does the public benefit? Where is the public benefit in forcing consumers to watch "national games" when they would prefer local over-the-air telecasts. Under any definition of the public interest, the answer is no.

Major League Baseball or ESPN must offer some justification for the gross limitation on output.⁴⁴ To date, they have failed to offer any public interest justification. At best, the only justification is their private economic interest. INTV submits that such justifications are not enough.

⁴⁴Traditional analysis of whether Major League Baseball has market power would seem to be irrelevant given its monopoly status.

B. Local Baseball Off-Air Telecasts Are Being Squeezed Out Of The Market.

All parties agree that prime time evening games are the most popular with baseball audiences. Evening prime time broadcasts have been a staple of local coverage. However, the day is fast approaching when local stations will find it difficult, if not impossible to secure these rights.

During the second half of the season, local stations will be unable to broadcast three out of seven nights. Wednesday and Sunday evenings belong to ESPN. An additional night (either Monday, Friday or Saturday) will be devoted to the new broadcast network contract with ABC and NBC. Add to this the possibility of travel days, on which a team does not play, and the potential nights for broadcasting local games is further constricted.

INTV has already detailed the scheduling difficulties this situation presents in our earlier comments. It increases the costs of covering "away" games. A road trip will generally cover at least one of these nights. As a result, stations have to bear the costs of having production crews stand by and do nothing. In the end, it becomes uneconomic to cover road trips because of the "forced" days off.

In addition to scheduling and wasted production costs due to the preclusive contract, the Commission should not underestimate the overall impact on fractionalizing audiences at the local level.

MLB goes to great lengths discussing the impact of superstations on the baseball audience. According to MLB, these telecasts further fractionalize audiences, making other television packages less valuable.⁴⁵ INTV has grave doubts about this analysis given MLB's admission that local games draw the highest audiences. We submit that fractionalization of the audience at the local level will undermine the value of a local station's contract with a local team.

Wednesday nights are gone. On Sundays, local stations are forced to televise games during time periods when there are fewer people watching television. This reduces the value of these games to a local station. Under the new broadcast network contracts, ABC and NBC are now in the business of covering the local teams. In addition, regional sports channels are carrying an increasing amount of local games in most markets. Broadcasting and Cable reported the impact of these developments on local rights holders:

Rights holders for several local teams said last week they were dismayed that the national rights deals put limits on local coverage, with ESPN getting two exclusive prime time windows throughout the seasons (Wednesday and Sunday), while the Baseball Network will do weekly regionalized coverage the second half of the season.⁴⁶

Reducing the number of nights on which local stations can broadcast a game, coupled with an increase in local games by other

⁴⁵Commissioner of Baseball Comments at 15, 19.

⁴⁶Broadcasting and Cable, November 15, 1993 at 10.

sources means that the value of a station's local rights has diminished. The local station is no longer the sole source of local baseball coverage. Accordingly, to the extent the Commission believes that audience fragmentation is a problem, then it must recognize that local stations are being hurt the most by the telecasting of local games by regional cable networks and the broadcast networks themselves.

C. Regional Cable Sports Channels Are the Key Factor Leading to a Decline in Local Over-the-Air Coverage.

In our comments, INTV analyzed trends in local coverage in the various baseball markets. While Major League Baseball claims that there have been increases in local games (1392 in 1980 to 1705 in 1993), INTV observed that 86 percent of the 313 game increase (270 games) occurred in markets with little or no cable sports exposure or where cable sports exposure has declined. This analysis directly conflicts with the notion that increased number of games on cable sports channels is merely supplementing games appearing on local television stations. The statistics from local markets fail to support this hypothesis.

INTV's analysis may have been charitable because the 1705 games in 1993, apparently, included games from the expansion Rockies and Marlins, which were not around in 1980. Using MLB's most recent comments, which take out the expansion club games, it appears that 1582 games will appear on local television stations.

Thus, employing a common data base of the teams that were in existence in 1980 and 1992, there has been only a 190 game increase.

Also, the 1582 games that will be available in 1994, while demonstrating an increase over 1980 games, does not mean that games have not declined nationally. Professor Andrew Zimbalist, using data compiled from various issues of Paul Kagan's Media Sports Business reported that 1,607 games were broadcast locally in 1991.⁴⁷ If this is correct, then comparing the games available for broadcast by the non-expansion teams in 1991 with Major League Baseball's stated 1582 games in 1994 reveals an overall decline in games nationally.

National statistics aside, Major League Baseball offers several reasons why games may have declined in some markets. INTV finds these arguments unpersuasive. These factors do not adequately explain the declines in off-air coverage in local markets.

First, Major League Baseball observes that stations affiliated with one of the national networks generally have less interest in covering local games. In this regard, it notes that KDKA has

⁴⁷Zimbalist, Andrew, Baseball and Billions, (Basic Books 1992) at 157.

reduced the number of flagship telecasts to 35 under the new contract.

There is simply no correlation between network affiliation and a reduced number of games appearing on a local station. INTV has a difficult time believing that KDKA, which has always been an affiliate and carried the Pirates since 1955, would suddenly succumb to pressure from CBS to cut back its Pirate telecasts. Indeed, according to Major League Baseball, KDKA's Pirates broadcasts increased between 1980 (44 games) and 1993 (53) games. The more plausible explanation is that KBL was willing to pay a higher price for the rights than KDKA. Also, the loss of several prime time nights coupled with increased Pirates games on KBL's cable channel decreased the value of the local rights. Stated alternatively, the advertising revenues that the station could generate from Pirates' telecasts were insufficient to secure the local rights.⁴⁸

Affiliate WLWT has also carried the Cincinnati Reds since 1980, increasing its games from 41 to 53. While WLWT will broadcast 53 games in 1994, it almost walked away from broadcasting

⁴⁸This raises the fundamental issue in this proceeding. Stations that are unable to cover the costs of local sports rights with a single revenue stream are simply being outbid by cable sports channels. The fundamental economics of local off-air television broadcasting prevent stations from bidding more for sports rights. Regional cable sports networks, with their dual revenue stream are not so limited.

the Reds rather than pay the \$4.5 million or so the station paid for rights last season.⁴⁹

Also, there is little evidence to support the theory that the new Fox network has led to a decline in a station's desire to carry local baseball. Major League Baseball cites to several examples, including Fox stations in Chicago (WFLD) and Los Angeles (KTTV) to support its conclusion. However, these situations are unique. In both markets the station was a Fox owned and operated station. Fox obviously wanted its own stations to carry Fox network programs. In fact, Fox was using revenues from its owned and operated stations to help fund its new network. The point is that these examples provide little evidence regarding the desire of non-Fox owned affiliated stations for baseball rights.

An prime example is KTVU, a Fox affiliate in San Francisco. In 1980, when the station was a "pure" Independent, it carried 33 games. Major League Baseball reports that the station, now a Fox affiliate, will carry 49 games in 1994. If affiliation with the Fox network decreases the desire for games, one would expect to see KTVU's games decline. This is simply not the case.

Extending its analysis to the extreme, MLB argues that the creation of the new Paramount and Time Warner networks will further decrease the desire for games. This is speculation at its best.

⁴⁹Broadcasting and Cable, November 15, 1993 at 10.

These networks are in their nascent stage, and no one knows whether the roll out of network programming will conflict with local baseball telecasts. KPLR's decision was predicated on its ability to cover the costs of its baseball rights package, not its possible network affiliation. Moreover, the owner of the Cardinals wanted to move a sufficient number of games to cable in order to create a cable package.

Second, apart from network considerations, MLB asserts that increases in the barter syndication market has decreased local stations' appetite for baseball. This is simply wrong. The barter syndication market generally gives stations the flexibility as to the nights the programs will be telecast. Scheduling conflicts are avoided easily. Indeed, the barter syndication has been around for over 15 years, and there has been no problem. The fact that Independent stations have been using barter syndication and baseball in combination during this period demonstrates that increases in the use of barter programming do not lead to a decline in local baseball coverage. MLB provides little analysis linking specific barter arrangements with a station's decision not to bid for sports rights. Moreover, the baseball season, which runs through the summer, does not conflict with the roll out of new first run barter shows. Most of the new shows are rolled out during the fall, when baseball enters its post-season play.

Third, Major League Baseball observes other sports programs decrease a local station's desire for local baseball rights. Of course its only example is WTBS, which has a specific contract with the NBA. This is a unique situation, and MLB provides no other examples. Moreover, WTBS has increased the number of games appearing on the station, making any correlation rather spurious.

Fourth, Major League Baseball asserts that some reduction in games may be due to a local club's desire to protect its home gate. This may or may not be true. Indeed, in those markets, like Baltimore, where games are sold out in advance, this is not a problem. However, protection of the home gate is certainly not a major factor in the decline of games in most markets. Baseball plays a 162 game schedule, 81 home and 81 away games. If protecting the home gate was the key factor, 81 games per season could appear on local television without impacting the local gate. Indeed, the overwhelming majority of games appearing in local broadcasts are away games. Protecting the home gate is not the reason for the decline in games.

Fifth, Major League Baseball attempts to argue that superstition telecasts have led to a decline in local games. It notes that increased exposure fractionalizes audiences, making local packages less attractive.

As we noted above, this is not a key element. Superstations have been around since 1975 and there is no analysis linking the decline in games to their existence. Moreover, MLB itself documents that local ratings are much higher than national telecasts. Fractionalization of the audience is occurring at the local level. These local factors, rather than national superstation telecasts, are taking a greater toll on the value of local sports rights.

On balance, Major League Baseball attempts to proffer a variety of factors which help explain the decline in games in various local markets. However, it fails to specifically correlate any of these elements to a direct decline in games. On the other hand, INTV's Comments provide a specific year by year, market by market comparison associating the decline in local games on off-air television with an increase in games appearing on cable channels. In most markets, a dramatic decline in games can be seen in the very year that cable sports channels secure the rights to baseball telecasts. In other markets, increases in local coverage are associated with a decline in the number of games appearing on cable channels.

INTV submits that the existence of local cable sports channels is the key factor in determining the number of games that will be available to local television broadcasters.

Cable sports channels explain the telecasting patterns in 22 of the 28 baseball markets. This fact is extremely important in understanding the future of baseball rights at the local level.

D. Future of Local Baseball Rights

New contracts that have been negotiated since the FCC issued its Interim Report provide some indication as to the future of baseball on local over-the-air television.

In Baltimore and Pittsburgh, the rights have slipped away from local stations to cable networks. Group W (Home Team Sports) controls the Orioles and KBL controls the rights to the Pirates.⁵⁰

What we are seeing is that cable sports channels are able to outbid the traditional broadcast stations and gain control over all the rights. Fortunately, for the time being, these cable sports channels have decided to sell games to local television stations for off-air broadcasts. In the case of the Orioles, games on off-air television will increase.

Nevertheless, it now seems clear that, in the future, regional cable sports channels will secure local rights. The squeeze in local prime time slots caused by Major League Baseball's contracts with ESPN and the broadcast networks will accelerate this

⁵⁰WLWT-TV managed to hang on to the local rights for the Reds under a two year deal.

process. Confined to a single revenue stream, local stations will continue to be outbid for local rights.

INTV believes this creates a dangerous situation. The Commission and the Congress run the risk of seeing a repeat of the Yankees battle throughout the country. The provision of games on local off-air television will be in the hands of a local television station's chief competitor for sports rights. Local stations will lose the ability to control their own destiny. Today, cable sports channels appear willing to buy time on local stations to ensure that games will be available on off-air television. However, this has been done in the context of intense political pressure to keep games on free television. There is no guarantee that this practice will continue in the future. The number of games could decline dramatically in the future.

E. Policy Considerations

The decline in off air coverage at the local level does not serve the public interest. As Prof. Zimbalist noted:

Cable-ization (or sports siphoning) reduces baseball viewership both voluntarily and involuntarily. At the end of 1991, around 60 percent of U.S. television households had cable. People without cable obviously have reduced access to baseball broadcasting as games are shifted from off-air to cable coverage. Others voluntarily restrict their viewership because they choose not to pay for cable installation or for the cable services that include sports programming. The trend has been for sports programming to be "siphoned" from free television to cable, then to be moved from basic cable to expanded basic service, and then to be moved to higher or exclusive service tiers. Some fear the next step is pay-per-view (PPV), wherein it may cost anywhere from \$3